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C O N F I D E N T I A L SECTION 01 OF 04 AMMAN 008793

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TAGS: [PGOV](#) [PREL](#) [KPAL](#) [IS](#) [JO](#)

SUBJECT: THE JORDAN-ISRAEL PEACE TREATY: TEN YEARS LATER

REF: A. AMMAN 08145

[1](#)B. AMMAN 04953

[1](#)C. AMMAN 02165

Classified By: Charge d'Affaires a.i. David Hale for Reasons 1.4 (b),(d)  
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SUMMARY  
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[1](#)1. (C) At the ten year mark, the Jordan-Israel peace treaty remains a cornerstone for Jordan's security and economic strategy. Despite a rocky political relationship, intelligence and military relations between Jordan and Israel are solid. Furthermore, the treaty provided the breakthrough which led to a dramatic deepening of our own bilateral security, economic and reform relationships. The Qualifying Industrial Zones, the U.S.-Jordan free trade agreement, and U.S. economic assistance -- all of which stem from the treaty -- are key components of Jordan's economic livelihood. Public opinion regarding relations with Israel, however, is strongly negative. Hopes that the treaty would lead to a resolution of Jordan's internal Palestinian issues remain unfulfilled, and some critics charge that peace with Israel -- absent a final two-state solution for Palestine -- may have hampered political liberalization (in fact, absent the peace treaty, the security and economic climate arguably would have prevented any reforms). Weary with five years of the intifada to the west, and with perceived Israeli slights, the GOJ has no official events planned to mark the anniversary. The revitalized Jordanian anti-normalization movement, which has been emboldened by continued violence in the West Bank/Gaza, may use the anniversary to renew its campaign against the treaty. End Summary.

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PEACE BRINGS SECURITY  
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[1](#)2. (C) On October 26, 1994, leaders of Jordan and Israel signed a peace treaty at Wadi Araba ending the formal state of war between the two countries. Ten years later, the treaty remains the centerpiece of Jordan's security strategy. Peace along Jordan's border with Israel and the West Bank has been the basis of the stability Jordan has enjoyed during the last decade. Just as important, strong cooperation between Jordanian and Israeli security forces has repeatedly helped thwart potential terrorist threats to both countries. Pragmatic Jordanian thinkers affirm this view. The treaty defined the borders of the Jordanian state and cemented its legitimacy. Dr. Hassan Barari, a researcher at Jordan University's Center for Strategic Studies who has just completed a book on Jordan-Israel relations, points out that not only do the two sides work together closely on border security, but counter-terrorism cooperation is exceptional, having led to the capture of numerous cross-border infiltrators in the last several years. Jordanian-Palestinian journalist Ureib Rintawi concludes that the peace treaty helped define Jordan as a state and made more Israelis acknowledge that "Jordan is Jordan, not Palestine." (He left unsaid a mirror result: the treaty reinforced the same point for East Bankers and Jordanian-Palestinians.) As Rintawi and other contacts correctly assert, a solid security arrangement and clearly defined borders weaken the arguments of Israeli hard-liners advocating the Jordan "transfer" option for Palestinians, while giving Jordan an avenue through which to advocate its interests. Robust military-to-military relations between the two countries, largely insulated from political disputes, further enhance Jordanian security.

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ECONOMIC GAINS  
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[1](#)3. (U) The peace treaty has been a boon to Jordan's economy. Strong U.S. commitment for the treaty led to forgiveness of \$700 million in Jordanian debt and an increase in assistance to the point that Jordan is now one of the leading recipients of U.S. aid in the world. USAID programs have helped restructure and liberalize the Jordanian economy, setting the stage for accelerated growth. The number of foreign tourists visiting Jordan, though down from its peak in 2000, is up significantly from pre-treaty levels. And the landmark

U.S.-Jordan Free Trade Agreement should continue to boost investment and commerce in the country -- helping to anchor this moderate, stability-minded, pro-U.S. regime despite regional turmoil.

14. (C) Qualified Industrial Zones (QIZs), a product of the peace treaty, provide another engine of economic growth. The QIZs in Jordan -- based on a requirement for Israeli content in Jordanian goods that then qualify for quota-free and duty-free access to the U.S. market -- grew from annual exports of \$18 million in 1998 to over \$560 million in 2003. The QIZs are an important source of jobs. About 60 factories manufacture products for export directly to the U.S., giving steady employment to over 36,000 line workers (the number grows to over 40,000 in high season). Approximately 45% of these jobs are held by Jordanians, with the rest filled by foreign (mostly South Asian) workers (ref a). Other factories subcontracting work to QIZ exporters employ several thousand more, while backward linkages to Jordanian companies that provide goods and services to QIZs -- such as construction, catering, and maintenance -- account for yet more employment. Due to the QIZs, relations between Israeli and Jordanian business persons are solid and expanding. In the first seven months of 2004, Israel exported about \$100 million in goods to Jordan -- less than half of this sum was to QIZs. The value of Jordanian exports to Israel for the same period totaled \$60 million, up 15% from 2003.

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DIPLOMATIC TROUBLES  
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15. (C) Despite the benefits Jordan enjoys from its relations with Israel, formal diplomatic relations between the two states are rocky, with the GOJ often feeling slighted or ignored by the GOI. Israel's Ambassador similarly has a litany of perceived and real slights. "There is no question but that we are facing today a difficult political relationship," stated outgoing Foreign Minister Muasher in a recent interview with Israeli daily Haaretz. "When we signed the treaty in '94, we had expected 2004 to be a totally different era in the Middle East." Jordan continues to hold off returning its ambassador to Tel Aviv, and one reason is GOJ inability to obtain the release of several Jordanians jailed in Israel for pre-treaty killings (ref c). The fact that Hizballah was able to negotiate the release of its prisoners is an embarrassment for the Jordanian government. It is regularly assailed in the press by kin of the detainees and, more recently, by the Islamist opposition (ref b) for its inability to aid the Jordanian prisoners.

16. (C) A prime advantage of the treaty for most East Bankers was that it permanently would bury the concept of Jordan as Palestine. For many Jordanian-Palestinians, signature of the treaty evoked complex emotions but also offered the hope that with basic issues of Jordan's relations with Israel and Palestine put to rest by the treaty, their own status in Jordan could be regularized and improved. Unfortunately, in the absence of a resolution of peace process final status issues for Palestine, issues of national identity continue to bedevil Jordanian politics. Comments by Likud hard-liners in Israel that "Jordan is Palestine" still turn stomachs in Amman, while recent public statements by PM Sharon advisor Dov Weisglass stoked GOJ fears that Israel is not serious about a two-state solution to the Palestinian issue. "When Weisglass says that Israel's aim is to freeze the peace process and to prevent the establishment of a Palestinian state, we have to take this very seriously," Muasher told the Israeli press. "The prospect of killing the two-state solution is threatening the interests not only of the Palestinians, but of Jordan as well." Uncertainty on these points continue to play into the hands of East Bank hard-liners who are reluctant to move forward on expectations that with Jordan once and forever disconnected from Palestine, it was safe to begin to enfranchise fully Palestinian-Jordanians.

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THE JORDANIAN PUBLIC: DOWN ON ISRAEL  
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17. (C) Outside the government, sentiment on the street toward Israel is uniformly negative. A continued diet of television images of destruction and death in the West Bank/Gaza, along with press editorials slamming Israel as, for example, "an extremist and deformed society," help keep such anti-Israel feelings among Jordanians strong. Reflecting widespread public opinion, MP Odeh Qawwas (Christian West Banker ) Amman, 3rd District) told PolOff he sees little positive in Jordan's peace treaty with Israel. He says Israel's disrespect for Jordan's interests has become particularly clear and believes that Israel takes its relationship with Jordan for granted. Like most other MPs, he laments Jordan's inability, through diplomatic channels, to win the release of its citizens from Israeli prisons. Several contacts expect popular views of Israel to grow even

more critical the longer the Palestinian-Israeli conflict continues. Dr. Barari says Israelis have a hard time understanding that there will not be a real, warm peace between the two countries until the Palestinian issue is resolved. &We are part of the same people,8 he says, &for us, Palestine is a domestic issue. You cannot separate us.8

18. (C) Many Jordanians, influenced by anti-Israel sentiment, dismiss the benefits Jordan derives from its relations with Israel or regard them as insufficient to justify cooperation with a state they see as oppressing the Palestinian people. Because the strong security relationship works behind the scenes, Jordanians do not naturally identify this as a plus. On an economic level, numerous contacts have contended that the benefits of the treaty have not been as significant as the GOJ or the Jordanian populace had (unrealistically) anticipated. Vocal anti-normalization campaigners have prompted many Jordanians outside the business sector to dismiss the positive impact of the QIZs and to claim that they do not create "good" jobs. Some also ask where are the railway systems, electricity grids and dozens of other projects that Israel promised Jordan at publicized meetings in Casablanca and Amman. Shimon Shamir, Israel's first ambassador to Jordan, was recently quoted in Israeli daily Haaretz as saying that peace with Jordan should have been a "display window" for the Arab world, but "from Jordan's perspective, disappointment is the main motif of this peace."

19. (C) Many Jordanians opposed the signing of a peace treaty independent of a resolution to the Palestinians' final status issues, such as Dr. Hussam Shiyab, who headed the International Relations Committee of the lower house of Parliament at the time of the treaty and is now a professor of political science. Ten years later, he claimed to PolOff that the treaty failed to define the "national identity" of Jordanians vs. Palestinians as had been hoped. He further contended that the Jordanian government is in a weaker position domestically and regionally due to overarching sentiment against cooperation with Israelis. A few commentators have speculated that peace with Israel hurt the cause of political pluralism and reform in Jordan. They assert that in order to defend its relations with Israel from popular opposition, the GOJ has stifled public dissent and clamped down on Islamists and other groups challenging its policies toward the Jewish state. In the words of one senior Jordanian-Palestinian, Adnan Abu Odeh, the hope was that Jordan, reassured about its border and territorial integrity, would turn to internal political reform. While there have been many reasons for the slow progress on this front, it is true that failure to reach a permanent two state solution provides tensions and pretexts blocking moves toward strong Jordanian-Palestinian representation in parliament and government. However, critics overlook the prospect that without a peace treaty, Jordan would hardly have had a security or economic climate conducive to liberalization.

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PEOPLE-TO-PEOPLE EXCHANGES RARE  
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110. (C) Reflecting the tense official relationship, people-to-people interactions are extremely limited. Barari, who spent three years in Israel learning Hebrew, notes that he personally used to meet Israelis frequently, including in Jordan. However, he said the potential repercussions against him professionally for such open meetings at home are too great now. He instead arranges to meet with Israelis in Europe. According to Barari, Jordan's "peace camp" -- made up of activists, academics, and business people enthused by the possibilities after the treaty -- has gone to ground. Few want to risk their reputations by speaking out in favor of the peace treaty. Gen. Mansur Abu Rashid, a former Jordanian general who now heads up a think-tank in Amman, has taken a different approach. Although his organization's activities are discreet, he continues to meet Israelis in Israel and Jordan, organizing workshops and lectures emphasizing co-existence.

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A LOW-KEY ANNIVERSARY  
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111. (C) Outgoing Foreign Minister Muasher confirmed to us that given public sentiment, the GOJ has chosen not to sponsor any official events to mark the anniversary of the peace treaty. There may be a few low-key, private events, while several newspapers will carry articles related to the treaty. Muasher will contribute at least one such article defending Jordan's decision to establish relations with Israel, while English-language daily The Jordan Times asked Charge, A/S Bill Burns and former U.S. Ambassador to Jordan Wes Egan to submit statements or op-ed pieces for the occasion. Muasher also met last week with a group of Israeli journalists brought to Jordan to tour a QIZ and other sites

via a program coordinated between the Peres Center for Peace and the Amman Center for Peace and Development (headed by General Rashid).

12. (C) Anti-normalizers (and, increasingly, Islamists) will attempt to use the tenth anniversary to keep themselves in the spotlight as champions of the Palestinian cause. A demonstration is planned for October 26 at the headquarters of the highly-politicized professional associations (prominent for their blacklisting of Jordanians doing business with Israelis) to assail the treaty and call for its annulment. The Islamic Action Front, the political wing of the Muslim Brotherhood, issued a public statement October 24 condemning the peace agreement and claiming that it "harmed the nation drastically." Articles in the Arabic press, particularly the sensationalist weeklies, can likewise be expected to demonize the treaty.

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COMMENT  
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12. (C) Despite diplomatic squabbles and deep concern over Israeli intentions in the West Bank/Gaza, the GOJ has never regretted its strategic choice for peace and remains committed to its relationship with Israel. The benefits resulting from the Wadi Araba treaty, while invisible to some, are clear to the palace and ruling elite. However, five years of intifada are making it ever more difficult to justify to Jordanians the GOJ-GOI relationship.

HALE